



NEWS RELEASE

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TEAM PHYSICIANS FOR LAKERS, DODGERS AND KINGS PAY \$2.65 MILLION TO SETTLE HEALTH CARE FRAUD ALLEGATIONS

Kerlan-Jobe Orthopaedic Clinic – team physicians for the Los Angeles Lakers, Dodgers and Kings – has paid the government \$2.65 million to resolve allegations in a “whistleblower” lawsuit that it defrauded Medicare and other federal health insurance programs over an eight-year period, United States Attorney Debra W. Yang announced today.

Without admitting wrongdoing, the sports clinic agreed to pay the \$2.65 million settlement on behalf of itself and 17 of its physicians, including founder Frank W. Jobe. In light of the settlement, the United States Attorney’s Office asked United States District Judge Consuelo B. Marshall to dismiss the case, and the United States Attorney’s Office learned today that the case had been dismissed by an order filed on January 15.

The whistleblower lawsuit, which was first filed against the clinic in 1998 and was amended in 2001 to include the individual physicians, alleged that Kerlan-Jobe and its physicians knowingly overbilled Medicare, Medi-Cal, the Department of Labor’s Office of Workers’ Compensation Programs and the Department of Defense’s TRICARE program for office visits and outpatient procedures beginning in 1993. The lawsuit alleged that Kerlan-Jobe had been made aware of the problem through internal audits but made no effort to refund the overpayments to the government.

The case was filed pursuant to the *qui tam* provisions of the False Claims Act by Trevor R. Baylor, the former director of Kerlan-Jobe’s health information systems

department. Under the False Claims Act, private individuals can file suit on behalf of the government and receive up to 25 percent of the recovery when the government intervenes and takes over the case, as the government did here. The government agreed to pay Mr. Baylor 21 percent of the settlement, which equals \$556,500. In addition, Kerlan-Jobe agreed to pay Mr. Baylor \$195,000 to cover his attorney's fees.

The government investigation team in the case included agents from the Office of Inspector General for the U.S. Postal Service and the U.S. Department of Labor.

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